



**17 June 2019**

## **Cross industry GMP equalisation working group forms five sub-committees to drive progress**

The cross industry GMP Equalisation Working Group (GMPEWG), launched in January, today published an open letter\* detailing the current areas of focus and the sub-committees which are working on producing the best practice guidance. The GMPEWG is chaired by the Pensions Administration Standards Association (PASA) through Geraldine Brassett, who leads PASA's own GMP Working Group.

**Brassett commented:** "The group has been working hard since launch to produce the vital good practice guidance needed to help navigate this complex process. Clearly projects to equalise benefits for the effects of GMP will be specific to each scheme, we can help by providing good practice guidance to help support decision making on the best course of action. Industry support of our initiative has been hugely encouraging and, recognising the depth of expertise and time this project requires, we have identified five sub-committees which will each share responsibility for a key component of the guidance. These are:

- **'Methodology'** - Explain the different methodologies and implementation considerations
- **'Impacted Transactions'** - Considerations for progressing 'inflight' transactions such as transfers out and trivial commutations
- **'Data'** - Identification of data gaps and suggestions of good practice for rectification
- **'Tax'** - Explain the tax implications which arise from GMP equalisation
- **'Reconciliation and Rectification'** - consider the interaction between the projects and suggested ways forward

"Each sub-committee will consider the needs of schemes in a number of areas for their respective responsibility with the objective of providing practical and pragmatic help to the industry."

**Brassett continued:** "Our aim is to produce a call to action covering the early stages of GMP equalisation projects by the end of June 2019. We have also been asked to provide guidance to help schemes decide whether to undertake GMP rectification now or wait and include this in their

equalisation project. We expect this guidance to be produced over the summer, with full best practice guidance covering all five sub-committees to follow by the end of September. Updates to the guidance will be provided as industry thinking develops and clarity is received in certain areas.

“GMP equalisation is a complicated process and it will be important not to lose sight of the member. By pooling insight from across the industry we can help schemes effectively manage the process and provide the best service for all involved.”

\*To view the open letter and members of the sub-committees in full, click [here](#).

**ENDS**

### **Notes to Editors**

The Pensions Administration Standards Association (PASA) was created to provide an independent infrastructure which will set, develop, guide and assess administration standards.

PASA will act as a focal point and engage with industry and government to create protocols for understanding good administration - but also appreciates there is no one size that fits all. PASA will develop evidential accreditation practices which will allow benchmarking across and between the industry regardless of how the administration is being delivered.

As well as raising the profile of pension administration generally, PASA will focus on three core activities.

1. Defining good standards of pensions administration relevant to all providers, whether in-house, third party or insurers
2. Publishing [guidance](#) to support those standards
3. Being an independent accreditation body, assessing the achievement of good standards by schemes (regardless of provider)

There is no organisation providing such services across schemes, yet there is a demand for evidence of service quality from scheme trustees, sponsors, administrators, insurers, scheme members and regulators.

### **About PASA Accreditation**

PASA Accreditation is open to all corporate members of PASA (DB, DC, trust-based and contract-based schemes). PASA Accreditation is granted following an independent evaluation and assessment process, which includes on-site visits and the review of documentation to evidence controls, procedures, process, staff development and contractual positions with clients.

Full details on PASA can be found by visiting [www.pasa-uk.com](http://www.pasa-uk.com).

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